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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|-----------------|-------------|----------------------|---------------------|------------------|
| 09/864,743 | 05/24/2001 | Hiok Khiang Chan | CU-2545 RJS | 1912 |

26530 7590 03/13/2006

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EXAMINER

HARBECK, TIMOTHY M

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| ART UNIT | PAPER NUMBER |
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3628

DATE MAILED: 03/13/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

| | | | |
|------------------------------|---------------------------------------|------------------------------------|--|
| Office Action Summary | Application No. 09/864,743 | Applicant(s) CHAN ET AL. | |
| | Examiner Timothy M. Harbeck | Art Unit 3628 | |

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 24 May 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 24 May 2001 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☒ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1-20 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

The terms "transparently and economically" in independent claims 1 and 9 are relative terms which renders the claims indefinite. The terms " transparently and economically " are not defined by the claim, the specification does not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Postrel (US PAT 6,594,640 B1) in view of Walker (Leslie Walker "The Old Give and Take." The Washington Post. Washington, D.C.: Apr 6, 2000. pg. E.01; 3 pages).

Re Claim 1: Postrel discloses a method facilitated by a computer network to accomplish a trusted transaction between a redeemable asset environment and a networked asset owner comprising the acts of:

- Providing an asset converter having a communications channel for electronically communicating with said environment and having a communications channel for electronically communicating with said asset owner (See Fig 4 and C5 L3-35)
- Providing an owner registration system in said converter wherein a database of owners and associated redeemable assets reposed, said converter authenticating said owners and designating each said owners a registered owner (See Fig 8 and C6 L1-20)
- Allowing said registered owner to selectively access said converter to submit preference of redeemable assets said registered owner wishes to trade, said converter searching through said database and reverting with a list of assets matching said preference, said registered owner selecting a predetermined number of matched assets (C6 L22-35)
- Permitting said registered owner to trade redeemable assets within said database, the contents of said registered owner's redeemable assets being verified by an asset validator prior to delivery and receipt of the rights selected matched assets (FIG 6 and 7; C7, L1-41)

Postrel does not explicitly disclose the step of converting automatically said redeemable assets into predetermined number of digital tokens. Walker the Barter

Trust system wherein users convert otherwise illiquid assets into an electronic currency referred to as "Barter Trust" dollars that are similar to the current inventions "digital tokens." This step provides a medium of exchange for users wishing to trade or swap assets. It would have been obvious to anyone skilled in the ordinary art at the time of invention to include this medium of exchange to the system of Postrel so that users seeking to swap or trade assets are not required to match their "haves" directly with someone else's "wants," but instead provides a medium of exchange and renders the system much more efficient.

Re Claim 2: Postrel in view of Walker discloses the method for accomplishing transaction between a redeemable asset environment and a networked asset owner in claim 1 and Postrel further discloses wherein said asset converter is an administrative server having at least one communication channel with said validator (FIG 5; C5, L37-60).

Re Claim 3: Postrel in view of Walker discloses the method for accomplishing transaction between a redeemable asset environment and a networked asset owner in claim 1 and Postrel further discloses wherein said redeemable assets are converted to digital tokens in accordance to a predetermined composite points-based system (Fig 5; Ref 54 "merchant conversion rates," "reward server conversion rates").

Re Claim 4: Postrel in view of Walker discloses the method for accomplishing transaction between a redeemable asset environment and a networked asset owner in claim 3 and while Postrel further discloses wherein said composite points-based system correlates the desirable features and seasonality of the assets underlying said

redeemable assets it would have been obvious to anyone skilled in the ordinary art at the time of invention that any conversion associated with an asset would involve factors specific to the particular vendor or merchant. Obviously some assets are more valued than others and would receive more weight. For instance, a flight to a popular beach during the summertime or spring break is most likely more valuable than a flight to the same location in the winter simply because there is more demand during the summer. Thus any conversion of this flight into an exchange medium would have to take these types of things into account or else it will not be an efficient market.

Re Claim 5: Postrel in view of Walker discloses the method for accomplishing transaction between a redeemable asset environment and a networked asset owner in claim 1 and Postrel further discloses wherein said converter verifies and updates its database of registered owners and asset rights by counter checking similar databases of asset developers and/or asset intermediaries (C6, L25-52)

Re Claim 6: Postrel in view of Walker discloses the method for accomplishing transaction between a redeemable asset environment and a networked asset owner in claim 1 and Postrel further discloses wherein said validator is an administrative server having a communication channel with said converter and said registered owner (Fig 5, the validator is the airline reward server (10) with connection to trade server (20) and the user (40)).

Re Claim 7: Postrel in view of Walker discloses the method for accomplishing transaction between a redeemable asset environment and a networked asset owner in claim 6 and Postrel further discloses wherein said validator provides verification

Art Unit: 3628

information to said converter for verifying, validating and/or suspending the rights of said registered owner to trade redeemable assets if appropriate ownership/membership and periodic dues/fees or creditworthiness is not regularized (Fig 7 Ref 706 and 710; system checks for membership and if the user has a sufficient balance of points/tokens).

Re Claim 8: Postrel in view of Walker discloses the method for accomplishing transaction between a redeemable asset environment and a networked asset owner in claim 1 and Postrel further discloses wherein said asset converter and the asset validator are the same (C6 L1-52; the “trading server” performs both the conversion of the asset (See Fig 5 ref 54) and validates the presence of the asset or equivalent points in the users account)

Re Claim 9: This claim has essentially the same limitations as claim 1 with the addition of an asset developer into the equation. Postrel discloses the use of an asset developer in the way of an airline reward server (Fig 5, Ref 10). Furthermore there are communication channels between the asset owner (40) and the redeemable asset environment (20/54). The remaining limitations of claim 9 are similar in scope to those in claim 1 and are therefore rejected using the same art and rationale.

Re Claims 10-14: Claims 10-14 would have been obvious from previously rejected method claims 2-6 and are therefore rejected using the same art and rationale.

Re Claim 15: Postrel in view of Walker discloses the method for accomplishing transaction between a redeemable asset environment and a networked asset owner in claim 14 and Postrel further discloses wherein said validator verifies asset information with said asset developer before reverting to said converter (Fig 6, Ref 608 and 610).

Re Claim 16: Postrel in view of Walker discloses the method for accomplishing transaction between a redeemable asset environment and a networked asset owner in claim 9 and Postrel further discloses wherein said validator provides verification information to said converter and said asset developer for verifying information to said converter and said asset developer for verifying, validating and/or suspending the rights of said registered owner to trade redeemable assets if appropriate fees or creditworthiness is not regularized (Fig 7 Ref 706 and 710; system checks for membership and if the user has a sufficient balance of points/tokens).

Re Claim 17: Postrel in view of Walker discloses the method for accomplishing transaction between a redeemable asset environment and a networked asset owner in claim 9 and further Postrel discloses wherein said asset developer offers its inventory of redeemable assets on said converter on a consignment basis (C5, L26-36).

Re Claim 18: Postrel in view of Walker discloses the method for accomplishing transaction between a redeemable asset environment and a networked asset owner in claim 9 and further Walker further discloses wherein said converter collects on behalf of said asset developer and validator periodic dues/maintenance and processing fees whenever said registered owner trades redeemable asset on said converter (See Page 2, paragraph 8).

Re Claim 19: Postrel in view of Walker discloses the method for accomplishing transaction between a redeemable asset environment and a networked asset owner in claim 9 and Postrel further discloses wherein said asset converter and the asset validator are the same (C6 L1-52; the "trading server" performs both the conversion of

the asset (See Fig 5 ref 54) and validates the presence of the asset or equivalent points in the users account)

Re Claim 20: Postrel in view of Walker discloses the method for accomplishing transaction between a redeemable asset environment and a networked asset owner in claim 9 and Postrel further discloses wherein said asset developer and an asset intermediary are different entities (Fig 5, Refs 10 and 20), said asset intermediary comprises of asset management companies, asset operators, custodians of assets, trustees and associations of asset owners (See contents of Ref 52).

Conclusion

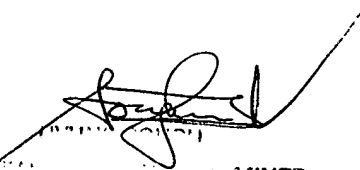
Any inquiry concerning this communication or earlier communications from the examiner should be directed to Timothy M. Harbeck whose telephone number is 571-272-8123. The examiner can normally be reached on M-F 8:30-5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 571-272-6799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Application/Control Number: 09/864,743
Art Unit: 3628

Page 9


SUPERVISOR EXAMINER
TECHNOLOGY CENTER 3600